HEALTH SERVICES AND DEVELOPMENT AGENCY

COMMUNIQUE

MONTHLY PUBLICATION OF HEALTH SERVICES AND DEVELOPMENT AGENCY

Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243 615.741.2364

JUNE 2014

For Meeting verification/change or agenda information, please call the Agency Office or check our website at www.tn.gov/hsda

HEALTH SERVICES AND DEVELOPMENT AGENCY

Chair......D. Lynn Johnson
Vice-Chair.....James Wright
Executive Director....Melanie Hill
General Counsel....James Christoffersen

Tennessee Department of Health, Division of Policy, Planning and Assessment.......615/741-1954

Tennessee Department of Mental Health and Substance Abuse Services, Office of General Counsel...615/532-6520 or Main Office.......615/532-6500

Tennessee Department of Intellectual and Development Disabilities,
Office of General Counsel...615/253-8731 or Main Office....615/532-6530 or 800-535-9725

CALENDAR

The Health Services and Development Agency will be closed on the following days:

2014

Wednesday, January 1—New Year's Day Monday, January 20—Martin Luther King Day Monday, February 17—Presidents' Day Friday, April 18—Good Friday Monday, May 26—Memorial Day Friday, July 4—Independence Day Monday, September 1—Labor Day *Monday, October 13—Columbus Day
Tuesday, November 11—Veterans' Day
Thursday, November 27—Thanksgiving Day
*Friday, November 28—substituted for Columbus Day
Wednesday, December 24—Christmas Eve
Thursday, December 25—Christmas
Wednesday, December 31—New Year's Eve

2014 REVIEW CYCLE							
2014 Cycle Month	Publication Dates— Letter of Intent	Application Due Date	HSDA Meeting Dates	*End of Appeal Period			
January	12/01/2013-12/10/2013	5 days after Publication	03/26/2014	04/10/2014			
February	01/01/2014-01/10/2014	u	04/23/2014	05/08/2014			
March	02/01/2014-02/10/2014	u	05/28/2014	06/12/2014			
April	03/01/2014-03/10/2014	и	06/25/2014	07/10/2014			
Мау	04/01/2014-04/10/2014	и	07/23/2014	08/07/2014			
June	05/01/2014-05/10/2014	и	08/27/2014	09/11/2014			
July	06/01/2014-06/10/2014	и	09/24/2014	10/09/2014			
August	07/01/2014-07/10/2014	и	10/22/2014	11/06/2014			
September	08/01/2014-08/10/2014	u	11/19/2014	12/04/2014			
October	09/01/02014-9/10/2014	ű	12/17/2014	01/01/2015			
November	10/01/2014-10/10/2014	ű	01/28/2015	02/12/2015			
December	11/01/2014-11/10/2014	ű	02/25/2015	03/12/2015			
In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the <i>preceding</i> business day. *Appeal deadline is 15 days after meeting date.							

STATE OF TENNESSEE POLICY OF NON-DISCRIMINATION

PURSUANT TO THE STATE OF TENNESSEE'S POLICY OF NON-DISCRIMINATION, THE HEALTH SERVICES AND DEVELOPMENT AGENCY DOES NOT DISCRIMINATE ON THE BASIS OF RACE, SEX, RELIGION, COLOR, NATIONAL OR ETHNIC ORIGIN, AGE, DISABILITY OR MILITARY SERVICE IN ITS POLICIES OR IN THE ADMISSION OR ACCESS TO, OR TREATMENT OR EMPLOYMENT IN, ITS PROGRAMS, SERVICES OR ACTIVIES.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY EEO/AA COORDINATOR OR OFFICER, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, 9th FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364. ADA INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY'S ADA COORDINATOR: JAMES CHRISTOFFERSEN, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, NINTH FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364.

^{*} Monday, October 13 – Columbus Day "substituted for the day after Thanksgiving at the Governor's discretion.

HEALTH SERVICES AND DEVELOPMENT AGENCY MEETINGS

THSDA Meetings are scheduled to be held at 8:30 a.m. CDT/CST
At the following locations:

June - December

Legislative Plaza
Room 31
Sixth Avenue North & Union Street
Nashville, TN
+++++++

* Meeting locations are subject to change

** All meetings of the Health Services and Development Agency are
posted on the Agency's website at www.tn.gov/hsda

EXECUTIVE DIRECTOR'S ANNOUNCEMENTS:

PLEASE NOTE:

In order that the Agency members may have sufficient time to review the meeting packet, please submit all support, rebuttal and comments for matters on the Agency's agenda no later than <u>noon (Central Time)</u> on the thirteenth day before the meeting at which that matter will be Heard. The parties are encouraged to provide 15 copies. In accordance with T.C.A., Section 68-11-1609(g)(1), any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Agency and serve a copy on the applicant no later than <u>fifteen days</u> before the agency meeting at which time the application is originally scheduled.

RESULTS OF APPLICATIONS HEARD AT THE MAY MEETING

Summit Medical Center 5655 Frist Boulevard

Hermitage (Davidson County), TN 37076

CN1402-004

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022

APPROVED

Southern Tennessee Regional Health System-Winchester

(f.k.a. Southern Tennessee Medical Center)

185 Hospital Road

Winchester (Franklin County), TN 37398

CN1402-005

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022 **APPROVED** The addition of 8 medical surgical beds which will increase the hospital's licensed bed complement from 188 to 196. The new beds will be located in renovated space on the 7th floor which currently houses the Sleep Lab. The estimated project cost is \$1,812,402.00.

The initiation of mobile Positron Emission Tomography (PET) services one half-day per week at the main hospital campus. The estimated project cost is \$834.135.00.

GENERAL COUNSEL'S REPORT

Morristown-Hamblen Hospital 908 West Fourth North Street Morristown (Hamblen County), TN 37814 CN1009-040A

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702 **APPROVED**

Memphis Gastroenterology Endoscopy Center East 8000 Wolf River Boulevard, Suite 200 Germantown (Shelby County), TN 38138

CN0406-059A

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702 **APPROVED**

Request for a six (6) month extension of the expiration date from August 1, 2014 to February 1, 2015. The project was unanimously approved on December 15, 2010 for the acquisition of a stationary (fixed) positron emission tomography/computerized tomography (PET/CT) unit to replace and upgrade the existing mobile PET/CT equipment with an expiration date of February 1, 2014. A six month extension was approved on December 18, 2013 which extended the expiration date to August 1, 2014. The estimated project cost is \$4,695,707.00.

Request for modification of a condition due to a merger of one of the physician groups authorized to use the facility. The condition currently limits the ambulatory surgical treatment center to the patients of Memphis Gastroenterology Group, P.C. (MGG) and UT Medical Group. The modification is requested due to the merger of MGG and Gastroenterology Center of the Mid-South, P.C., d/b/a Gastro One (GO) which will be effective July 1, 2014. Under the terms of the merger the assets and liabilities of MGG related to the facility will be transferred to a wholly-owned subsidiary of GO. The modified condition would read "Limited to the endoscopy outpatients of Gastroenterology Center of the Mid-South, P.C., d/b/a Gastro One and UT Medical Group." The original project was approved by unanimous vote on August 25, 2004 with a project cost of \$4,794,559.00.

RESULTS OF APPLICATIONS HEARD AT THE MAY MEETING

Summit Medical Center 5655 Frist Boulevard

Hermitage (Davidson County), TN 37076

CN1402-004

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022

APPROVED

Southern Tennessee Regional Health System-Winchester

(f.k.a. Southern Tennessee Medical Center)

185 Hospital Road

Winchester (Franklin County), TN 37398

CN1402-005

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022 **APPROVED**

The addition of 8 medical surgical beds which will increase the hospital's licensed bed complement from 188 to 196. The new beds will be located in renovated space on the 7th floor which currently houses the Sleep Lab. The estimated project cost is \$1,812,402.00.

The initiation of mobile Positron Emission Tomography (PET) services one half-day per week at the main hospital campus. The estimated project cost is \$834,135.00.

GENERAL COUNSEL'S REPORT

Morristown-Hamblen Hospital 908 West Fourth North Street Morristown (Hamblen County), TN 37814 CN1009-040A

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702

APPROVED

Memphis Gastroenterology Endoscopy Center East 8000 Wolf River Boulevard, Suite 200 Germantown (Shelby County), TN 38138 CN0406-059A

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702 **APPROVED**

Request for a six (6) month extension of the expiration date from August 1, 2014 to February 1, 2015. The project was unanimously approved on December 15, 2010 for the acquisition of a stationary (fixed) positron emission tomography/computerized tomography (PET/CT) unit to replace and upgrade the existing mobile PET/CT equipment with an expiration date of February 1, 2014. A six month extension was approved on December 18, 2013 which extended the expiration date to August 1, 2014. The estimated project cost is \$4,695,707.00.

Request for modification of a condition due to a merger of one of the physician groups authorized to use the facility. The condition currently limits the ambulatory surgical treatment center to the patients of Memphis Gastroenterology Group, P.C. (MGG) and UT Medical Group. The modification is requested due to the merger of MGG and Gastroenterology Center of the Mid-South, P.C., d/b/a Gastro One (GO) which will be effective July 1, 2014. Under the terms of the merger the assets and liabilities of MGG related to the facility will be transferred to a wholly-owned subsidiary of GO. The modified condition would read "Limited to the endoscopy outpatients of Gastroenterology Center of the Mid-South, P.C., d/b/a Gastro One and UT Medical Group." The original project was approved by unanimous vote on August 25, 2004 with a project cost of \$4,794,559.00.

RESULTS OF APPLICATIONS HEARD AT THE MAY MEETING

EMERGENCY CON REQUEST

Life House Hospice, Inc. 570 State Street Cookeville (Putnam County), TN 38501 CN1405-016

Contact Person: Connie Mitchell, President

Phone: 931-881-6417 **APPROVED**

Emergency certificate of need request for the establishment of a home care organization to provide hospice services in Putnam County, Tennessee in conjunction with the existing Life House Residential Hospice located at 570 State Street, Cookeville, Tennessee. The emergency certificate of need is requested because Life House, a licensed residential hospice, had to cease all residential/inpatient operations due to its inability to become Medicare-certified because CMS will not certify a stand-alone residential hospice.

*The Health Center of Hermitage

4214 Central Pike

Hermitage (Davidson County), TN 37076

CN1404-011

Contact Person: Bruce K. Duncan, Assistant

Vice President
Phone: 615-890-2020
Consent Calendar

The change of site/relocation for an approved but unimplemented certificate of need (CN1306-022A) for a 90* bed Medicare-certified nursing home from an unaddressed 13 acre site at Bell Road near Woodland Point Road and Couchville Pike in Nashville (Davidson County), Tennessee to a new site containing approximately 14.02 acres at 4214 Central Pike in Hermitage. The new site is a distance of approximately five (5) miles. The estimated project cost is \$19.241,697.00.

* These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

SBH-Kingsport, LLC

Unaddressed site at the end of Executive Park Boulevard

and East Stone Drive

Kingsport (Sullivan County), TN 37660

CN1312-050

Contact Person: Mike Garone, Director of Development

Phone: 901-969-3100

DEFERRED FROM THE APRIL MEETING

Establishment of a new 72-bed mental health hospital and the initiation of inpatient psychiatric services. The hospital will contain 18 adult, 16 geropsychiatric, 28 child and adolescent, and 10 chemical dependency beds. The facility will be located at an unaddressed site at the end of Executive Park Boulevard. The estimated project cost is \$11,717,915.00.

Wharton Nursing Home 878 W. Main Street Pleasant Hill (Cumberland County), TN 38578 CN1403-006

Contact Person: Al Griffin, Director of

Financial Services
Phone: 931-277-3518

A construction/renovation project that will relocate 31* of the existing 62 dually certified nursing home beds to an adjacent building on the campus of Uplands Village, a continuing care retirement community. The 31 beds will be relocated from an existing building at 878-880 W. Main Street to 55 West Lake Road which is where Wharton Nursing Home was previously located. All 62 beds will be operated under the same license. The estimated project cost is \$5,100,000.00.

* These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

Dyersburg Regional Medical Center 400 Tickle Street Dyersburg (Dyer County), TN 38024 CN1403-007

Contact Person: Jerry W. Taylor, Esq.

Phone: 615-782-2228

DEFERRED TO THE JULY MEETING

The expansion of cardiac catheterization services to include interventional (therapeutic) cardiac catheterization procedures. Catheterization services are currently limited to diagnostic-only. The estimated project cost is \$367,763.00.

West Tennessee Imaging d/b/a Outpatient Diagnostic Center of Memphis 7600 Wolf River Blvd. Memphis (Shelby County), TN 38138 CN1403-008

Contact Person: Perry Baker, CFO

Phone: 615-550-6044

Establishment of an outpatient diagnostic center (ODC), acquisition of MRI equipment, and initiation of MRI services in 8,258 SF of space at 7600 Wolf River Blvd. Other diagnostic services to be provided include CT, X-ray, and ultrasound. This project will not add additional capacity to the market because a new joint venture has been established to own the ODC, which will in effect relocate an existing ODC with MRI from 5130 Stage Road, a distance of 10 miles. The existing facility will relinquish its license and cease MRI services once this facility is operational. The estimated project cost is \$10,123,989.00.

GENERAL COUNSEL'S REPORT

The Health Center of Nashville Unaddressed site at Highway 100 and Pasquo Road Nashville (Davidson County), TN CN1107-024AM

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702

Request for modification by eliminating shelled space and associated connective space which will result in a reduction in total project cost. The total space will be reduced 7.8% from 77,408 SF to 71,362 SF. The total cost will be reduced 6.4% from \$21,512,150 to \$20,129,450. All 90 beds will remain as private beds. However, 8 of the 90 beds will be in companion rooms which consists of 2 private rooms connected to a common area with a full bathroom.

The project was approved on September 28, 2011 with an estimated project cost of \$23,894,100. On October 23, 2013, the Agency granted an 18-month extension of the expiration date from November 1, 2014 to May 1, 2016 and modifications related to reductions in square footage, project cost, and changes in the footprint of the facility.

NHC/Maury Regional Transitional Care Center 5004 Trotwood Avenue Columbia (Maury County), TN CN1307-025A

Contact Person: Dan H. Elrod, Esq.

Phone: 615-651-6702

Request for a transfer of ownership of the CON from NHC-Maury Regional Healthcare, LLC (a Tennessee liability company) to NHC-Maury Regional Transitional Care, LLC (a Delaware limited liability company). This transfer will not result in any change to the project or affect the ability of the project to be completed. The ultimate ownership of NHC/OP, L.P. (80%) and Maury Regional Medical Center (20%) will not change. The project was approved on October 23, 2010 with an estimated project cost of \$18,161,672.

GENERAL COUNSEL'S REPORT (Continued)

Saint Thomas Hospital 4220 Harding Road Nashville (Davidson County), TN 37205 CN1110-037A

Contact Person: Warren L. Gooch, Esq.

Phone: 865-525-5134

Request for modification of the size and scope of the project because Saint Thomas Health is merging service lines across its two Nashville campuses. The modifications will reduce the estimated project cost to \$95,780,000, which is a reduction of \$15 million.

- 1) Operating Rooms Four new orthopedic operating rooms will be deleted with an estimated cost reduction of \$5.5 million;
- 2) New Construction and Renovation Three floors in the new patient tower will be eliminated which will result in a reduction of 77,687 square feet of new construction. An additional 32,400 square feet will be renovated on the 3rd floor of the existing K-Tower, increasing the total renovated space to 121,534 square feet which will result in a cost reduction of \$5.05 million.
- 3) Redesign The remainder of the project will be redesigned to improve building efficiency; shell space for future expansion will be eliminated; and additional spending on elevator and other infrastructure systems will be reduced for a cost savings of approximately \$4.4 million.

The project was approved on January 25, 2012 with an estimated project cost of \$110,780,000.

Hemophilia Preferred Care of Memphis 852 Cooper Street Memphis (Shelby County), TN 38104 CN1201-002A

Contact Person: William H. West, Esq.

Phone: 615-726-5600

Request for a twelve (12) month extension of the expiration date from August 1, 2014 to August 1, 2015 due to its difficulty in obtaining licensure as a home health agency because of its narrow scope of services.

The project was approved on June 27, 2012 for the establishment of a home care organization to provide home health services limited to the pharmacy patients of Hemophilia Preferred Care, Inc. of Memphis with hemophila or similar blood disorders. The certificate of need limited the agency to patients with hemophilia or similar blood disorders which include Von Willebrand disease, hypoprothrombinemia, and dysfibrinogenemia. The estimated project cost was \$43,000.

GENERAL COUNSEL'S REPORT (Continued)

Johnson City Medical Center 400 North State of Franklin Road Johnson City (Washington County), TN 37604 CN1106-021A

Contact Person: Allison M. Rogers, Vice President,

Strategic Planning Phone: 423-431-6111

Interventional Pain Physicians Surgery Center 1177 Rock Springs Road, Suite 130 Smyrna (Rutherford County) TN 37167 CN1201-001A

Contact Person: Rodney Lunn

Phone: 615-620-9302

Request for a six (6) month extension of the expiration date from November 1, 2014 to May 1, 2015 to complete the linear accelerator installation process.

The project was approved on September 28, 2011 for renovations and expansion of the current radiation oncology department in the hospital's main campus building with an estimated project cost of \$14,999,924.

Request for modification to a 760 SF increase in project size and a cost overrun of \$197,062.

The project was approved on April 25, 2014 for the establishment of a single specialty Ambulatory Surgical Treatment Center (ASTC) limited to pain management with an estimated project cost of \$844,622. The facility was licensed March 17, 2014 and has been operating since April 2014.

Dyersburg Regional Medical Center

400 Tickle Street

Dyersburg (Dyer County), TN 38024

CN1403-007

Contact Person: Jerry W. Taylor, Esq.

Phone: 615-782-2228

DEFERRED FROM THE JUNE

MEETING

The expansion of cardiac catheterization services to include interventional (therapeutic) cardiac catheterization procedures Catheterization services are currently limited to diagnostic-only The estimated project cost is \$367,763.00.

Starr Regional Medical Center--Etowah 886 Highway 411 North Etowah (McMinn County), TN 37331 CN1404-009

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022

The expansion of the hospital's existing ten (10) bed geripsychiatric unit to fourteen (14) beds. The expansion of the geriatric psychiatric unit will be accomplished without increasing the total bed complement of the Etowah satellite (72) by redistributing 4 acute care beds (medical-surgical) to the geriatric psychiatric classification. This reclassification will not impact the total beds physically located at the main campus in Athens (118) or the total licensed beds for both sites (190). The estimated project cost is \$1,282,050.00.

Christian Care Center of Bristol 2830 Highway 394 Bristol (Sullivan County), TN 37620 CN1404-012

Contact Person: Jerry W. Taylor, Esq.

Phone: 615-782-2228

The relocation and replacement of a 120* bed nursing home from 261 North Street, Bristol (Sullivan County) to 2830 Highway 394, Bristol (Sullivan County), Tennessee. The estimated project cost is \$11,953,747.00.

^{*} These beds are not subject to the 2013-2014 Nursing Home Bed Pool.

Hospice Alpha, Inc. 102 N. Poplar Street Linden (Perry County), TN 37096 CN1404-010

Contact Person: E. Graham Baker, Jr. Esq.

Phone: 615-370-3380

The establishment of a home care organization to provide hospice services. The service area is Benton, Chester, Decatur, Hardin, Henderson, Hickman, Humphreys, Lawrence, Lewis, McNairy, Perry, and Wayne Counties. The estimated project cost is \$95,500.00.

Lakeway Regional Hospital 726 McFarland Street Morristown (Hamblen County), TN 37814 CN1405-013

Contact Person: Jerry W. Taylor, Esq.

Phone: 615-782-2228

The discontinuation of obstetrical (OB) services. The sixteen (16) OB beds will be redistributed to general medical/surgical beds. The hospital's current 135 licensed bed complement will remain unchanged. The estimated project cost is \$33,000.00.

BHG Jackson Treatment Center 58 Carriage House Drive, Suites A & B Jackson (Madison County), TN 38305 CN1405-014

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022

The relocation of BHG Jackson Treatment Center, a nonresidential substitution-based treatment center for opiate addiction, from its current site at 1869 Highway 45 Bypass, Suite 5, Jackson (Madison County), TN 38305, to 58 Carriage House Drive, Suites A and B, Jackson (Madison County), TN, 38305. The estimated project cost is \$1,274,050.00.

Maxim Healthcare Services 208 Sunset Drive, Suite 503 Johnson City (Washington County), TN 37604

CN1405-015

Contact Person: John L. Wellborn, Consultant

Phone: 615-665-2022

The establishment of a home care organization to provide home health services. The service area is Carter, Johnson, Sullivan, Unicoi, and Washington Counties. The parent agency will be located at 208 Sunset Drive, Suite 503, Johnson City (Washington County), TN 37604. The estimated project cost is \$463,825.00.

APPEALS OF AGENCY DECISIONS

FACILITY	DOCKET #	DESCRIPTIO N	MEETING Date
Baptist Memorial Hospital-Huntingdon Huntingdon, Carroll County CN1205-021A	25.00-118927J	Appeal of Approval of CON	9/26/2012
Community Hospices of America-Tennessee, LLC d/b/a Hospice Compassus - The Highland Rim Tullahoma, Coffee County CN1307-023D	'TBA'	Appeal of Denial of CON	3/26/2014
East Tennessee Radiation Therapy Services Knoxville, Knox County CN1108-030ADA	25.00-115208J	Appeal of Approval of CON	12/14/2011
HealthSouth Rehabilitation Hospital of Williamson County Franklin, Williamson County CN1012-059A	25.00-111868J	Appeal of Approval of CON	3/23/2011
Medical Care, PLLC Elizabethton, Carter County CN1303-006D	25.00-122463J	Appeal of Denial of CON	7/24/2013
Middle Tennessee Rehabilitation Hospital, LLC Franklin, Williamson County CN1012-055D	25.00-111868J	Appeal of Denial of CON	3/23/2011
Tri-Cities Holdings LLC d/b/a Trex Treatment Center Johnson City, Washington County CN1303-005D	25.00-122076J	Appeal of Denial of CON	6/26/2013

NOTES:	

HEALTH SERVICES AND DEVELOPMENT AGENCY MEMBERS

D. Lynn Johnson (Consumer, Speaker of the House)

Charlotte C. Burns (Hospital)

Claudia H. Byrd (Consumer, Speaker of the Senate)

Robert Doolittle (Consumer, Governor)

Barrett G. Haik, M.D. (Physician)

Thom Mills (Home Care)

Mark Flora, M.D.
(Ambulatory Surgical Treatment
Centers)

James L. Wright (Nursing Home)

Keith Gaither, Designee for Director of TennCare Darin J. Gordon

Elisha Hodge, Designee for Comptroller Justin Wilson

Lisa Jordan, Designee for Commerce & Insurance Commissioner

India Min Mabaala